

House Will Vote Today on Melancon Provision to Reduce Local Cost Shares, Saving Louisiana up to \$25 Million in Recovery Costs

June 16, 2009

WASHINGTON, D.C. - U.S. Rep. Charlie Melancon (LA-03) announced today that Terrebonne Parish and the South Louisiana Electric Cooperative Association (SLECA) will receive a total of \$7,588,219 in federal disaster funding from the Federal Emergency Management Agency (FEMA). The grants will reimburse the local government and the electric co-op for rebuilding projects to repair damage caused by Hurricanes Gustav and Ike last fall. Under current policy, these federal grants require the state or local sponsor to put up matching funds, which can amount to millions of dollars. *House Will Vote Today on Melancon Provision to Reduce Local Cost Shares, Saving Louisiana up to \$25 Million in Recovery Costs*
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However, Congressman Melancon secured a provision in legislation the House of Representative is considering today that will reduce or eliminate Louisiana's local cost share for many Hurricane Ike recovery projects. This change could save the state and local governments up to \$25 million, according to estimates by the Louisiana Governor's Office on Homeland Security and Emergency Preparedness. The Island Road project in Terrebonne Parish (see below) is one of the many recovery projects in south Louisiana that would benefit from the cost share change.

"As we strive to bring Louisiana back to our pre-storm conditions, we need every bit of federal recovery aid we can get," Congressman Melancon said. "Hurricanes Gustav and Ike were unfortunate financial setbacks for our state, but we have made great progress in the months since the storms. Federal grants like those we are announcing today will take some of the burden off our state and help our communities bounce back even faster. I am pleased Congress is moving forward in reducing the Hurricane Ike local cost share for our state and parish governments, giving us even more resources to help us rebuild."

Terrebonne Parish President Michel Claudet added, **"We are very excited about receiving funds for our parish. This is a much needed project for our citizens who are residents of Isle of Jean Charles Road."**

"We are sincerely appreciative of the efforts of Congressman Melancon," said Michael Guidry, General Manager of South Louisiana Electric Cooperative Association.

"Certainly the Congressman's efforts will help to minimize the impacts of the

hurricanes in the areas which we serve."

The following federal grants were announced today:

- **\$2,127,116.03 to repair Island Road in Terrebonne Parish.** Powerful winds and heavy rain from Hurricane Ike caused widespread damage to Island Road, also known as Isle of Jean Charles Road, along Wonder Lake in Terrebonne Parish. This federal grant represents 75% of the cost for repairing a two-mile section of the road, which is 10 feet wide with 8-foot shoulders.

Currently, Terrebonne Parish must pay a 25% cost share for the Island Road project, which would amount to \$709,038. ***Under the cost share provision Congressman Melancon worked to include in legislation the House is considering today, Terrebonne Parish's cost share for the Island Road project would be reduced to just 10%, or \$283,615.***

If this legislation becomes law, the Melancon provision could save Terrebonne Parish hundreds of thousands of dollars on this project and many others.

- **\$5,461,103.09 for post-Gustav repair work by the South Louisiana Electric Cooperative Association.** Hurricane Gustav damaged over 500 miles of electrical lines in south Louisiana, leaving more than 20,000 people without electrical service for up to six days. SLECA utilized thousands of hours of overtime labor and equipment use, in addition to labor from aid workers and private contractors, to restore the electricity system to pre-disaster conditions.

The reduction in state/local cost shares for Hurricane Ike recovery projects follows [a request](#) last week from Congressman Melancon to House leadership. As Congressman Melancon noted in his letter, when Congress eliminated Louisiana's state/local cost share for recovery projects after Hurricanes Katrina and Rita, it provided an enormous boost for the state's rebuilding efforts.

Likewise, Congressman Melancon told House leadership that as a result of Hurricanes Gustav and Ike, state and local government budgets have been stretched to the breaking point as communities struggle to cover both recovery costs and normal day-to-day expenses.

Congressman Melancon has been working to reduce the local cost share for Gustav and Ike recovery projects since last September, when he [sent a letter](#) to President Bush asking him to waive Louisiana's local match requirement. While President Bush waived the cost share for Texas last fall, he did not waive Louisiana's match.

[Click here](#)

to view Rep. Melancon's September 2008 letter.

Over the past four years, Congressman Melancon has worked in Congress to reduce the financial burden on citizens and local governments in south Louisiana following major hurricanes. After Hurricanes Katrina and Rita, he worked to convince Congressional leadership to waive 100% of the local cost share requirement for disaster recovery projects in Louisiana.

At the request of Congressman Melancon and the entire Louisiana delegation, the cost share waiver was included in the 2007 Iraq/Katrina Emergency Supplemental Appropriations bill, which was passed by Congress and signed into law by the President at the end of May 2007. Before the local cost share was waved, many of the estimated 23,000 disaster recovery projects in Louisiana had been put on hold because local governments did not have the resources to provide the match.

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